

ELLIOTT & ELLIOTT, P.A.
ATTORNEYS AT LAW
1508 Lady Street
COLUMBIA, SOUTH CAROLINA 29201
selliott@elliottlaw.us

SCOTT ELLIOTT

TELEPHONE (803) 771-0555
FACSIMILE (803) 771-8010

March 25, 2013

VIA E-FILING

Jocelyn Boyd, Esquire
Chief Clerk and Administrator
South Carolina Public Service Commission
101 Executive Center Drive
Columbia, SC 29210

RE: Ken Bozeman, Complainant/Petitioner v. Carolina Water Service, Inc.
Defendant/Respondent
Docket No. 2013-71-WS

Dear Ms. Boyd:

Enclosed for filing please find the pre-filed Direct Testimony of Patrick C. Flynn filed on behalf of Carolina Water Service, Inc. in the above-referenced matter. By copy of this letter to all parties, I am notifying them of same.

If you or counsel has questions, please feel free to contact me.

Sincerely,

Elliott & Elliott, P.A.



Scott Elliott

SE/mjl

Enclosures

cc: All Parties of Record w/enc.

1
2
3 **BEFORE**
4
5 **THE PUBLIC SERVICE COMMISSION**
6 **OF SOUTH CAROLINA**
7 **DOCKET NO. 2013-71-WS**
8

In Re: Ken Bozeman, Complainant/)
Petitioner v. Carolina Water Service,) **DIRECT TESTIMONY**
Inc., Defendant/Respondent) **OF**
) **PATRICK C. FLYNN**
)
)
)

9
10 **Q. PLEASE STATE YOUR FULL NAME AND BUSINESS ADDRESS.**

11 **A.** My name is Patrick C. Flynn. My business address is 200 Weathersfield Avenue,
12 Altamonte Springs, Florida 32714.

13 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

14 **A.** I have been a Regional Director at Utilities, Inc. since 2003 and have managed as many as
15 22 subsidiaries of Utilities, Inc. including Carolina Water Service, Inc. My duties encompass all
16 aspects of utility operations in the Southeast Region of Utilities, Inc., which includes the states of
17 South Carolina and Florida. My responsibilities include the management of a staff of 115 people,
18 42 of whom are employed in South Carolina; the development and execution of operating and
19 capital budgets of 18 companies; supervision and support of all rate case and docket activity in my
20 region; the representative of the utility with respect to all regulatory activities and developer
21 agreements; and the management of a 132-unit vehicle fleet.

22 **Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND WORK**
23 **EXPERIENCE.**

24 **A.** I am a 1978 graduate of the University of Virginia with a Bachelor of Arts degree in
25 Environmental Science. All told, I have 34 years of experience in the water and wastewater

1 industry. I have been a licensed water and/or wastewater treatment operator in the states of South
2 Carolina, Florida, Louisiana, and Maryland.

3 **Q. HAVE YOU TESTIFIED BEFORE THIS COMMISSION PREVIOUSLY?**

4 **A.** Yes, I have testified in rate cases before the South Carolina Public Service Commission, and
5 during my tenure with Utilities, Inc., I have been involved in over 50 rate cases in the last 14 years.

6 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

7 **A.** The purpose of my testimony is to respond to the complaint brought by Ken Bozeman on
8 behalf of B2 Holdings, LLC in this docket and to provide information regarding the provision of
9 sewer service to certain commercial customers of Carolina Water that are located in our River
10 Hills system situated in Lake Wylie, South Carolina.

11 **Q. ARE YOU FAMILIAR WITH THE CIRCUMSTANCES SURROUNDING MR.**
12 **BOZEMAN'S COMPLAINT?**

13 **A.** Yes. B2 Holdings, LLC owns or operates properties in the River Hills area of Carolina
14 Water's service territory in York County. Carolina Water provides water and sewer service to B2
15 Holdings, LLC through three metered connections. Mr. Bozeman complains that his rates are too
16 high and seeks a reduction or alternatively, that his sewer service be based upon consumption.

17 **Q. HOW ARE CAROLINA WATER'S SEWER SERVICE RATES CALCULATED?**

18 **A.** Carolina Water's sewer customers are billed based on the tariff approved by the South
19 Carolina Public Service Commission. The sewer bill computation is dependent on the application
20 of the South Carolina Department of Health and Environmental Control's Wastewater
21 Contributory Loading Guidelines ("DHEC Guidelines"). The DHEC Guidelines are frequently
22 used in South Carolina in determining sewer rates. The Guidelines are used to calculate a Single
23 Family Equivalent ("SFE") for each non-residential sewer customer, which is then applied to an
24 approved rate of \$26.73 per SFE. Each sewer account constitutes a minimum of one SFE.

1 In the case of River Hills, where Carolina Water contracts with York County Utilities to
2 provide wastewater treatment and disposal services under a bulk sewer agreement approved by the
3 Public Service Commission, the sewer rate of \$26.73 per SFE reflects the portion of the monthly
4 bill attributable to the cost to operate, maintain, repair, manage, and monitor all of the Carolina
5 Water collection systems as well as an opportunity to recoup its capital investments over the life of
6 its assets and to make a reasonable return on those investments. The sewer bill's amount is not
7 based on a volumetric rate.

8 **Q. CAN YOU PROVIDE THE PUBLIC SERVICE COMMISSION WITH THE**
9 **CIRCUMSTANCES GIVING RISE TO THE COMPLAINT HEREIN?**

10 **A.** Yes. Carolina Water conducts routine audits of its customer accounts and as a result of an
11 audit, discovered that certain of the properties owned or operated by B2 Holdings, LLC were not
12 being accurately billed. In fact, certain of these properties were being billed at a rate less than
13 authorized by Carolina Water's tariff. After calculating the correct amount of each bill, Carolina
14 Water began to bill B2 Holdings, LLC the correct amounts. Subsequently, Mr. Bozeman
15 contacted the Office of Regulatory Staff to complain. The ORS inspected the three properties
16 owned or operated by B2 Holdings, LLC and made its own calculations of the billing amounts.

17 **Q. PLEASE DESCRIBE B2 HOLDINGS, LLC'S SEWER SERVICE ACCOUNTS.**

18 **A.** First, sewer service is provided through a sewer tap at 21 Plantation Square, Lake Wylie,
19 South Carolina which includes two units (Units 20 and 21). The current use of this property is as
20 a dance studio which generates an SFE of 1.0. There is no disagreement with the sewer bill
21 generated at this location.

22 Second, sewer service is provided through a sewer tap located at 4947 Charlotte Highway,
23 Lake Wylie, South Carolina which includes service to two units (Units 1 and 2). The use of Unit 1
24 is as a restaurant that is currently undergoing renovation. Unit 2 is currently used as a title loan

1 business. Because the restaurant is currently not in business, it is essentially a vacant unit, and
2 therefore, the restaurant does not constitute an active customer. Consequently, the total number of
3 SFE's associated with this sewer tap is limited to sewer service provided to Unit 2, which equates
4 to a minimum SFE count of 1.0 based on Carolina Water's tariff. The restaurant in Unit 1 had
5 been in business for many years and during that time, the sewer bill for Units 1 and 2 was based on
6 an SFE count of 1.0.

7 Third, sewer service is provided through a sewer tap located at 4543 Charlotte Highway,
8 Lake Wylie, South Carolina which includes service to five businesses located in a total of seven
9 units. Two units are currently vacant. It is my understanding that one of the existing businesses
10 may expand its office space into one of the two vacant units. According to the terms of its tariff,
11 Carolina Water calculates the total number of SFE's associated with this sewer service to be 2.3
12 SFE's at this time.

13 **Q. DOES CAROLINA WATER DISPUTE THE RESULTS OF THE ORS**
14 **CALCULATIONS?**

15 **A.** No. Carolina Water agrees with the SFE calculation work sheets generated by Mr. Willie
16 Morgan of the Office of Regulatory Staff (ORS). See attached Exhibit PCF-1.

17 I would add that based upon its recent audit, Carolina Water has determined that the restaurant's
18 total number of seats and the number of vehicles served per day warranted an SFE count greater
19 than one. However, Carolina Water will wait until the restaurant's remodeling activity is
20 completed and the restaurant is reopened for business, before reevaluating the SFE count
21 associated with its seating and number of vehicles served. Then, Carolina Water will establish
22 the SFE for the restaurant and will bill B2 Holdings, LLC accordingly.

23 **Q. Does this conclude your testimony?**

24 **A.** Yes it does.

RE: Bozeman v. CWS
DOCKET NO. 2013-71-WS

PCF EXHIBIT 1

Docket No. 2013-71-WS Bozeman v. CWS
ORS Calculation of Wastewater Collection Charge Bill Component
March 15, 2013

Account Name: **B2 Holdings LLC**
Address: **21 Plantation Square, Lake Wylie SC**
of CWS
Connections at
Address: **1**

Dance Studio - Units 20 and 21

DHEC Loading Guideline	Location Information		Loading GPD	Total GPD
Z.	No. of Employees	1	25	25

TOTAL LOADING 25 GPD
1 SFE = 400 GPD

ORS Calculated SFE 0.0625
Minimum SFE based on CWS Approved Tariff 1
TOTAL SFE Billed to Customer 1

Current Rate \$26.73 per SFE
Customer Bill (Wastewater Collection Charge) \$26.73 per month

* SFE - Single Family Equivalent

Docket No. 2013-71-WS Bozeman v. CWS
 ORS Calculation of Wastewater Collection Charge Bill Component
 March 15, 2013

Account Name: **B2 Holdings LLC**
 Address: 4947 Charlotte Hwy, Lake Wylie
 # of CWS
 Connections at
 Address: 1

Vacant - Unit 1 (restaurant under construction)				
DHEC Loading Guideline	Location Information		Loading GPD	Total GPD
FF.	No. of Seat	0	40	0
	No. of Vehicles served	0	40	0
TOTAL LOADING			0	GPD
1 SFE =			400	GPD
ORS Calculated SFE			0	

Title Loan - Unit 2				
DHEC Loading Guideline	Location Information		Loading GPD	Total GPD
Z.	No. of Employees	1	25	25
TOTAL LOADING			25	GPD
1 SFE =			400	GPD
ORS Calculated SFE			0.0625	

PREMISE TOTAL LOADING	25	
1 SFE =	400	
ORS Calculated SFE	0.0625	
Minimum SFE based on CWS Approved Tariff	1	
PREMISE TOTAL SFE Billed to Customer	1	
Current Rate	\$26.73	per SFE
Customer Bill (Wastewater Collection Charge)	\$26.73	per month

* SFE - Single Family Equivalent

Docket No. 2013-71-WS Bozeman v. CWS
 ORS Calculation of Wastewater Collection Charge Bill Component
 March 15, 2013

Account Name: **B2 Holdings LLC**
 Address: 4543 Charlotte Hwy, Lake Wylie
 # of CWS
 Connections at
 Address: 1

Specialty Delivery Logistics - Units 6 and 7				
DHEC Loading Guideline	Location Information		Loading GPD	Total GPD
Z.	No. of Employees	8	25	200
TOTAL LOADING				200 GPD
1 SFE =				400 GPD
ORS Calculated SFE				0.5

Monogram Fever - Units 8				
DHEC Loading Guideline	Location Information		Loading GPD	Total GPD
Z.	No. of Employees	3	25	75
TOTAL LOADING				75 GPD
1 SFE =				400 GPD
ORS Calculated SFE				0.1875

Vacant - Unit 9 (formerly Within U Beauty & Wellness Salon)				
DHEC Loading Guideline	Location Information		Loading GPD	Total GPD
E.	No. of Employees	0	10	0
	No. of Chairs	0	125	0
TOTAL LOADING				0 GPD
1 SFE =				400 GPD
ORS Calculated SFE				0

Docket No. 2013-71-WS Bozeman v. CWS
 ORS Calculation of Wastewater Collection Charge Bill Component
 March 15, 2013

Gentlemen Cuts - Unit 10				
DHEC Loading Guideline	Location Information		Loading GPD	Total GPD
D.	No. of Employees	2	10	20
	No. of Chairs	5	100	500
TOTAL LOADING			520	GPD
1 SFE =			400	GPD
ORS Calculated SFE			1.3	

Physical Therapy - Units 11 and 12				
DHEC Loading Guideline	Location Information		Loading GPD	Total GPD
L.	No. of Employees	3	15	45
	No. of Patients	3	5	15
TOTAL LOADING			60	GPD
1 SFE =			400	GPD
ORS Calculated SFE			0.15	

Vacant - Unit 13				
DHEC Loading Guideline	Location Information		Loading GPD	Total GPD
D.	No. of Employees	0	10	0
	No. of Chairs	0	100	0
TOTAL LOADING			0	GPD
1 SFE =			400	GPD
ORS Calculated SFE			0	

Docket No. 2013-71-WS Bozeman v. CWS
 ORS Calculation of Wastewater Collection Charge Bill Component
 March 15, 2013

Florist - Unit 14			
DHEC Loading Guideline	Location Information	Loading GPD	Total GPD
Z.	No. of Employees 2	25	50
TOTAL LOADING 50 GPD			
1 SFE = 400 GPD			
ORS Calculated SFE 0.125			

PREMISE TOTAL LOADING 905
 1 SFE = 400

ORS Calculated SFE 2.2625
 Minimum SFE based on CWS Approved Tariff 1
 PREMISE TOTAL SFE Billed to Customer 2.2625

Current Rate \$26.73 per SFE
 Customer Bill (Wastewater Collection Charge) \$60.48 per month

* SFE - Single Family Equivalent

CERTIFICATE OF SERVICE

The undersigned employee of Elliott & Elliott, P.A. does hereby certify that she has served below listed parties with a copy of the pleading(s) indicated below by mailing a copy of same to them in the United States mail, by regular mail, with sufficient postage affixed thereto and return address clearly marked on the date indicated below:

RE: Ken Bozeman, Complainant/Petitioner v. Carolina Water Service, Inc., Defendant/Respondent
Docket No. 2013-71-WS

PARTIES SERVED:

Nanette S. Edwards, Esquire
Office of Regulatory Staff
1401 Main Street, Suite 900
Columbia, SC 29201

Ken Bozeman
B-2 Holdings, LLC
Post Office Box 10307
Rock Hill, SC 29731

PLEADING: Pre-Filed Direct Testimony of Patrick C. Flynn

March 25, 2013



MaryJo Lawracy
Legal Assistant